

Underpayment of Estimated Tax by Farmers and Fishermen

Department of the Treasury Internal Revenue Service

Attach to Form 1040 or Form 1041. See instructions on back.

Name(s) shown on tax return

Identifying number

Part I Figure Your Underpayment

Table with 14 rows for calculating underpayment. Rows include: 1. Enter your 1990 tax after credits; 2. Other taxes; 3. Add lines 1 and 2; 4. Earned income credit; 5. Credit for Federal tax on fuels; 6. Add lines 4 and 5; 7. Current year tax; 8. Multiply line 7 by 66 2/3%; 9. Withholding taxes; 10. Subtract line 9 from line 7; 11. Enter your prior year (1989) tax; 12. Required annual payment; 13. Amounts withheld; 14. Underpayment.

Part II Figure the Penalty

Table with 3 rows for calculating the penalty. Row 15: Enter the date the amount on line 14 was paid or April 15, 1991. Row 16: Number of days after January 15, 1991. Row 17: Penalty calculation formula: (Number of days on line 16 / 365) x .11 x underpayment on line 14.

General Instructions Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

- The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping . . . . . 33 min. Learning about the law or the form . . . . . 5 min. Preparing the form . . . . . 18 min. Copying, assembling, and sending the form to IRS . . . . 14 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions for the tax return with which this form is filed.

## Who Must Pay the Underpayment Penalty

You may owe a penalty if, for 1990, you did not pay at least 66⅔% of your current year (1990) tax liability or 100% of your prior year (1989) tax liability, whichever is less. If at least two-thirds of your 1989 or 1990 gross income is from farming or fishing, use this form to see if you must pay a penalty for underpaying your estimated tax.

Use Part I to see if you paid enough estimated tax. If not, use Part II to figure the penalty.

### Exceptions to the Penalty

You will not have to pay the penalty or file this form if any of the following applies:

1. You file your return and pay the tax due by March 1, 1991.
2. You had no tax liability for 1989, you were a U.S. citizen or resident for all of 1989, and your 1989 tax return was (or would have been had you been required to file) for a full 12 months.
3. The total tax shown on your 1990 return minus the amount of tax you paid through withholding is less than \$500. To determine whether the total tax is less than \$500, complete lines 1 through 10.

### Additional Information

For a definition of gross income from farming and fishing, and more information, get **Pub. 505**, Tax Withholding and Estimated Tax.

### Who Must File

You must file Form 2210F if you request a waiver of the penalty (explained later) or if the **Caution** under the line 12 instructions applies to you.

In all other cases, use of Form 2210F is optional. If you choose to figure the penalty yourself, enter the amount you figure on the penalty line of Form 1040 or Form 1041; but **do not** attach Form 2210F to your return.

### IRS Can Figure the Penalty for You

In most cases IRS can figure the penalty for you. If you want us to figure the penalty for you, complete your return as usual. Leave the penalty line on your return blank and do

not attach Form 2210F. If you owe the penalty, we will send you a bill. And, as long as you file your return by April 15, 1991, we will not charge you interest if the bill is paid within 10 days after the notice date.

**Note:** *If you are required to file Form 2210F, as explained under **Who Must File**, you must figure the penalty yourself and attach a completed form to your return.*

### Waiver of Penalty

If you have an underpayment on line 14, all or part of the penalty for that underpayment may be waived if either of the following applies:

- The underpayment was due to a casualty, disaster, or other unusual circumstance and it would be inequitable to impose the penalty, or
- In 1989 or 1990 you retired after age 62 or became disabled and your underpayment was due to reasonable cause.

To claim either of the above waivers, you **must**:

1. Write the word "WAIVER" on the dotted line to the left of line 67 of Form 1040 (line 26 of Form 1041); and
2. Complete Form 2210F up to line 17 without regard to the waiver provision and attach it to your return. Write the amount to be waived in parentheses on the dotted line to the left of line 17. Write "AMOUNT WAIVED—\$(amount)." Subtract the amount waived from the total penalty you figured without regard to the waiver, and enter the result on line 17; and
3. Attach a statement to Form 2210F showing which waiver you are claiming, and a computation of the amount of the penalty to be waived.

### Line-by-Line Instructions

#### Line 2

Enter the total of the following amounts on line 2:

- Self-employment tax;
- Alternative minimum tax;
- Tax from recapture of investment credit or low-income housing credit;
- Tax on early distributions (Form 5329, Part II, only);
- I.R. Code section 72(m)(5) penalty tax;

- Excise tax on golden parachute payments;
- Advance earned income credit payments;
- An increase or decrease in tax as a shareholder in a qualified electing fund; and
- Interest due under I.R. Code sections 453(l)(3) and 453A(c) on certain installment sales of property.

#### Line 11

**Prior Year Tax.**—Figure your 1989 tax by using the taxes and credits from your 1989 tax return. Use the same taxes and credits as shown on lines 1, 2, 4, and 5 of this form, and any tax on installment sales as a dealer in personal property.

If you did not file a return for 1989 or if your 1989 tax year was less than 12 months, do **not** complete line 11. Instead, enter the amount from line 8 on line 12. However, see **Exceptions to the Penalty** on this page.

**Filing Status Change.**—If you are filing a joint return for 1990, but you did **not** file a joint return for 1989, add the tax shown on your 1989 return to the tax shown on your spouse's 1989 return and enter the total on line 11. If you filed a joint return for 1989, but you are **not** filing a joint return for 1990, see Pub. 505 to figure your share of the 1989 tax to enter on line 11.

#### Line 12

Compare the amounts on lines 8 and 11. Enter the smaller of the two amounts on line 12.

If the amount on line 9 is equal to or more than the amount on line 12, you will not have to complete or attach Form 2210F unless the **Caution** below applies to you.

**Caution:** *If the amount you enter on line 12 is your prior year tax (from line 11) and your filing status changed, as explained under the line 11 instructions, you must complete and attach Form 2210F, even if you do not owe a penalty. Write "FSC" on the dotted line next to line 67 on Form 1040.*

#### Line 13

Enter the estimated tax payments you made plus any Federal income tax withheld, excess social security tax or railroad retirement tax paid, and any Form 4469 credit (excess hospital insurance benefits) claimed.